

WEST VIRGINIA DEVELOPMENT OFFICE

REQUEST FOR PROPOSAL

PROFESSIONAL PROJECT AND PROJECT MANAGEMENT SERVICES FOR CDBG-DR AND CDBG PROGRAMS

NOVEMBER 16, 2016



HORNE
CPAs & BUSINESS ADVISORS



SPILMAN THOMAS & BATTLE PLLC
ATTORNEYS AT LAW



Dewberry

smithcochranhicks PLLC
CERTIFIED PUBLIC ACCOUNTANTS



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Request for Proposal - West Virginia Development Office

TITLE PAGE

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HORNELLP.COM

Mary Jo Thompson
Director, Community Development
1900 Washington St. E #553
Charleston, WV 25305
304-558-2234

November 16, 2016

Dear Ms. Thompson:

We at HORNE LLP (HORNE) are pleased to present to you our proposal to provide project management services to the West Virginia Development Office (WVDO). We understand, firsthand, the urgency that drives your desire to get newly awarded CDBG-Disaster Recovery (CDBG-DR) funds out to your communities, and streamline the management of existing HUD programs.

We look forward to working with you to bring over ten years of program experience with insight into comparative models and best practices from across the country. We will drive the distribution of assistance as appropriately and efficiently as possible in both annual program management and the disaster recovery special allocation.

For this program, HORNE has assembled an unrivaled team of industry experts. Your HORNE project team brings together the talent of two local West Virginia firms, a leading engineering firm on the forefront of resiliency programs, and the experience of HORNE's knowledge leaders who have brought new ideas to community recovery in every major storm since Hurricane Katrina.

The HORNE team represents over a century of combined experience in the successful planning, administration, and implementation of HUD program activities from across the country. We bridge the gap between the internal public agency, private sector, and senior-level Housing and Urban Development (HUD) perspectives. We have extensive experience in HUD regulatory interpretation, including expert-level knowledge of modifications or waivers as provided under applicable Federal Registers.

We look forward to your evaluation and consideration for this important project. We would be pleased to offer additional clarifications or answer any questions that you may have concerning our proposal.

Scott Keller
Partner, Government Services
HORNE LLP



Request for Proposal - West Virginia Development Office

ACKNOWLEDGEMENT OF ADDENDUMS

HORNE, LLP acknowledges Addendum No. 1, dated November 4, 2016.

A handwritten signature in black ink, appearing to be "S. H.", written over a horizontal line.

Signature

November 16, 2016

Date

INTRODUCTION

HORNE's team is dedicated to delivering straightforward guidance, collaboration, industry leading expertise, innovative solutions, and proven results. Since our founding in 1962, HORNE has grown from a small accounting firm into one of the top 50 CPA firms in the United States. Our Government Services practice emerged from the aftermath of Hurricane Katrina, and we have since forged a name for ourselves as an industry leader in forward-thinking community recovery. We approach our engagements with a deep sense of empathy, urgency, and with the end goal in mind.

Following a comprehensive selection process, HORNE has elected to include four highly experienced and respected firms as subcontractors for this program: Spilman, Thomas & Battle, PLLC (Spilman), Dewberry LLC (Dewberry), Smith, Cochran & Hicks, PLLC (SCH), and Neel-Schaffer, Inc.

The expertise and experience of the HORNE team will allow West Virginia to develop an intentional, innovative approach to CDBG project management with the proposed project team structure:



Spilman Thomas & Battle, PLLC is a full-service, regional law firm serving local, regional, national and international businesses. Founded in West Virginia, the firm has seven offices located in our home state, North Carolina, Pennsylvania, and Virginia. Throughout our 150+ years, our focus has been on providing excellent legal services and innovative, client-driven solutions at an exceptional value. Spilman clients include Fortune 500™ companies with thousands of employees, entrepreneurial start-ups, and everything in between. Our government relations professionals and legal specialists bring a perfect blend of skills with a deep understanding of regulatory compliance needs.

Spilman Thomas & Battle was organized in Charleston, West Virginia in 1864. Today, the Firm has 280 employees and members in seven office site locations and four states. The corporate headquarters and largest office remain in Charleston, West Virginia. With lawyers licensed in over 21 states, we proudly serve an active client base of over 10,000 individuals, businesses, and organizations located throughout the Appalachian region and beyond. Spilman and all its attorneys and non-attorney professionals are in compliance with all applicable laws of the state of West Virginia. All the attorneys referenced in this Response are licensed to practice in the State of West Virginia.



Dewberry LLC is a leading, market-facing firm with a proven history of providing professional services to a wide variety of public- and private-sector clients. Recognized for combining an unrivaled commitment to client service with deep subject matter expertise, Dewberry is dedicated to solving clients' most complex challenges and transforming their communities. Established in 1956, Dewberry is headquartered in Fairfax, Virginia, with more than 50 locations and over 2,000 professionals nationwide.

Dewberry is a nationally recognized leader in the disaster response business with nearly four decades of recovery consulting experience. Dewberry's workforce includes hundreds of personnel who have devoted their entire careers working with communities, cities, states, and federal agencies on event driven services. Recovery is not a sideline business for Dewberry, but is at the core of what Dewberry does, year in and year out.



Smith, Cochran & Hicks, PLLC (SCH), a Certified Public Accounting firm headquartered in Charleston, West Virginia, has served a broad range of clients throughout the Mid-Atlantic region of the United States since 1979. As one of the most diverse public accounting firms in West Virginia, SCH is dedicated to providing outstanding service to clients and offering specialized services not found in traditional accounting practices. In addition to tax and accounting services, SCH offers specialized support in areas such as financing assistance, unclaimed property consulting, class-action settlement administration, public utilities, and workers' compensation insurance premium audits and market conduct examinations.

SCH has always had a large portion of its practice devoted to serving governmental agencies and non-profit entities. Through the years SCH professionals have assisted such organizations in achieving a broad range of objectives by providing quality audit, accounting, and consulting services. Services for these agencies and entities include, but are not limited to:

- Audit and accounting,
- Cost allocation and management plans,
- Internal control assessments and implementation,
- Compilation and review of forecasted or projected financial information,
- Assistance in budgeting and planning, and
- Other consulting and management advisory services as requested by the client.

SCH's familiarity with state governmental guidelines, financial reporting, and various regulations to which both government agencies and non-profit entities must adhere delivers effective, cost-efficient, professional services.



Neel-Schaffer is a multi-disciplined engineering and planning firm that was founded in 1983 and today is one of the largest private, employee-owned firms in the South, with more than 500 employees working out of 38 offices across nine states. The firm's core disciplines include civil, water/wastewater, storm water, traffic/transportation, environmental science, aviation, structural and hydraulic engineering. They also provide geotechnical, electrical, highway and bridge engineering services. Neel-Schaffer's engineers, scientists, geologists and writers are recognized experts in their fields. The firm also employs highly trained hydrologists, cost estimators, urban planners, landscape architects and public outreach specialists.

Neel-Schaffer helps clients recover from disasters such as tornadoes, hurricanes, windstorms, wildfires, and floods through True North Emergency Management, a wholly owned subsidiary of Neel-Schaffer Engineers and Planners that was founded in 2010.

Neel-Schaffer's many years of experience in acquiring federal and state disaster reimbursements has helped clients receive full reimbursement on all completed and audited contracts. True North was born out of the disaster recovery and debris monitoring work Neel-Schaffer did from 2005-2010 on the Mississippi Gulf Coast following the devastation wrought when Hurricane Katrina struck on August 29, 2005.

THREE PHASE APPROACH

We know the importance of a streamlined approach to the management of HUD-funded programs. Each dollar spent toward administrative redundancies is one less dollar spent toward community recovery. Although the nuances of each HUD program are greatly important, there is an undeniable overlap of the operational commonalities to comply with cross-cutting regulations across these programs.

As West Virginia finds itself in the early days of recovery, HORNE will support the WVDO to focus on the development and approval from HUD of the Action Plan developed to expedite the critical CDBG-DR funding. Through the research and documentation of data-driven recovery needs, HORNE will deliver options for the consideration of WVDO regarding various creative program structures which will support rebuilding for the future of the state's most impacted and distressed areas. We will approach our project management services to WVDO in three phases:

PHASE 1: STATE CDBG PROGRAM CONSULTATION & CDBG-DR UNMET NEEDS ASSESSMENT & ACTION PLAN DEVELOPMENT

ANNUAL PROGRAMS. Upon notice to proceed, HORNE will initiate a full review of existing HUD programs, policies, and procedures to deliver reporting and insight to WVDO in two ways: (1) identify immediate opportunities for enhancement to existing policies and procedures, and (2) recommend a course of action to adapt existing organizational development and planning for the purpose of implementing a CDBG-DR program.

Results of the HORNE review will be delivered to WVDO with recommendations on key functional areas such as:

- Staff organization and Augmentation
- Stakeholder engagement
- Public transparency
- Subrecipient management
- Procurement procedures
- Monitoring and compliance procedures
- Section 3 design and compliance with goals
- Fair Housing
- Minority and Women Owned Business Enterprise (MWBE) reporting and compliance
- HUD reporting and compliance requirements
- Temporary Rental Assistance practices
- Public Infrastructure planning and compliance requirements
- Incorporation of resilience efforts
- Opportunities for pertinent waiver requests

In line with annual program timelines, HORNE will provide a team to support the stakeholder engagement and action plan development for the State's annual CDBG program. Our specialists trained in the new rollout of HUD Fair Housing tools will begin work to update the State's Analysis of Impediments if needed or commence work on the State's Assessment of Fair Housing.

DISASTER RECOVERY. By bringing us in early for disaster recovery planning, before the release of the Federal Register, WVDO is not only gaining a qualified partner, but the advantage of early preparation that leads to robust rather than rushed discussion, and a faster award upon release of the Federal Register.

Action Plan development begins with thorough data collection from state and federal agencies on a rapid timeline for factual analysis to determine unmet recovery need. The governing Federal Register will require your jurisdiction to develop a scientific, risk-based Unmet Needs Assessment to document and quantify your unmet recovery needs, as well as the Action Plan to establish the program design through a participatory public process. The Unmet Needs Assessment must be data-intensive. Where data source gaps exist, they must be supplemented with federal unmet needs data from FEMA and SBA. The Action Plan will include the eligible activities your jurisdiction chooses to pursue, funding categories, Fair Housing strategies, and plans for reducing risk, among other items. Both the Needs Assessment and Action Plan are key components for setting the foundation of your recovery program. Our team is ready on day one to begin work on the Unmet Needs Assessment even before the Federal Register Notice is released.

HORNE will then lead the conversation with WVDO by providing historical models and trends from previously awarded Grantees. A data-driven approach will ensure decisions about program design facilitate the accomplishment of the State's goals.

Within the first seven (7) days after the release of the Federal Register, HORNE's financial and HUD compliance specialists will dive deep into the agency's existing financial systems, policies, and procedures, and public involvement practices to conduct a full review of the administering agency's capacity and internal controls. This focused effort will be necessary to effectively administer the CDBG-DR grant. Where necessary, HORNE will assist WVDO to update or enhance existing policies and procedures for inclusion in the requisite Risk Analysis and Implementation Plan likely to be required under the Federal Register's Notice.

Within sixty (60) days, HORNE will guide WVDO down the decision-making path leading to a comprehensive and effective Action Plan supporting the State's CDBG-DR allocation. Our team will listen to the State's needs and goals as we ensure each can be addressed through the eligible activities under the CDBG-DR program. As the Unmet Needs Assessment and Action Plan are key components for setting the foundation of your recovery program, we will ensure that the federal dollars received are maximized.

PHASE 2: CDBG-DR PROGRAM DESIGN & DEVELOPMENT

Our team works each day to revolutionize the approach to CDBG-DR programs. Combining a proactive data collection effort with HORNE's innovative program designs, accurate geo-mapping, along with the incorporation of resilience measures, a stronger long-term recovery is consistently realized for impacted communities. We are ready to provide the same value for West Virginia.

In order to build on our initial review of existing program policies and procedures, HORNE continually reviews policy and procedures manuals for the program to ensure compliance with new regulations, resulting policy decisions, and desired outcomes. Daily, we stay abreast of the ever-changing policy decisions and regulatory changes impacting HUD's CDBG and CDBG-DR programs. Therefore, we are ready to deliver insight to the State regarding best practices to employ on both programs.

HORNE can provide WVDO with a library of program design options for customized development according to the needs of West Virginia and its citizens. Program funding options will explore available resources through state and federal sources, as well as option to leverage the State's CDBG program awards. We will not only support WVDO to rebuild from the floods, but we will incorporate a plan for resiliency that brings communities together in a way that makes them stronger for the future.

HORNE takes a regional approach to program planning and design. Decisions on program implementation incorporate planning studies that cross-reference urban planning principles with HUD national objective priorities to reach a plan of action that lays the framework for method of distribution.

DURING PHASE 2, HORNE WILL:

- Assist and advise WVDO on required CDBG-DR award submissions to HUD. This will include preparing a financial and administrative manual, program/project framework, updated budgets, waivers, and any subsequent substantial amendment.
- Make recommendations regarding CDBG-DR and general disaster recovery best practices, including researching regulations or programs in other states.
- Prepare, in consultation with WVDO, policies and procedures, checklists, subrecipient manuals, applications, and other program documents, including the unmet needs assessment.
- Stay up-to-date on all federal register notices and changes regarding CDBG-DR.
- Perform other duties as assigned consistent with the overall goal of the scope of work.

PHASE 3: PROGRAM IMPLEMENTATION

From the outset of considering the first set of data necessary to determine the unmet needs assessment, we begin with the West Virginia's ultimate goals in mind. Our compliance experts provide proactive guidance on eligibility requirements, monitoring standards, and program management so there are no surprises when the State implements its desired programs. HORNE has expertly navigated compliance pitfalls in HUD-funded programs for over ten years; our staff has built their careers on compliance practices even longer.

Through the years, we've dedicated our focus to improving systems for the benefit of government and the convenience of the public. HORNE not only brings a proven playbook for grant management practices, we bring technological innovation. Our mobile application intake system streamlines application processing to automate eligibility verification against preloaded datasets, eliminate data entry error, rapidly target identified risks of fraud, and reduce unnecessary paperwork. By launching highly automated tools as part of project management, overall program management will be elevated to a highly visible status with accurate real-time reporting for executive staff.

Although West Virginia has yet to finalize its programs which will be funded through the CDBG-DR allocation, given our experience this HORNE team is capable of supporting programs in any sector: housing, infrastructure, and economic revitalization.

HOUSING	INFRASTRUCTURE	ECONOMIC REVITALIZATION
<ul style="list-style-type: none"> • Repair/Rehabilitation/ Reconstruction of single family or multifamily housing units • Lease-to-own purchase • Contract execution • Acquisition • Buyout • Affordable housing development • Local real estate • Community data analysis • Relocation services • Home health hazard • Historic preservation • Housing counseling services • Lead risk and abatement • Local code and permitting processing 	<ul style="list-style-type: none"> • Rehabilitation/ Reconstruction of Public Facilities • Emergency Demolition • Debris Removal/Clearance • Code Enforcement • FEMA Match • Rehabilitation of damaged buildings • Buying, constructing, or rehabilitating public facilities such as streets, neighborhood centers, and water, sewer and drainage systems • Strategic Buyout in support of Infrastructure activities 	<ul style="list-style-type: none"> • Local economies • Urban planning • Location and position in marketplace • Small business incubators • Community/neighborhood development edges and transition areas • Lending • Loan processing • Parks and open spaces • Transportation determinations • Regional infrastructure and resilience • Job creation and/or retention

TEAM ROLES AND RESPONSIBILITIES

Team Member	Role	General Responsibilities
Phase 1 – State CDBG Program Consultation & CDBG-DR Unmet Needs & Action Plan Development		
HORNE LLP	Prime Contractor	<ul style="list-style-type: none"> Overall Project Management HUD Compliance Risk Analysis and Implementation Plan Unmet Needs Assessment Action Plan Development
Spilman, Thomas & Battle PLLC	Subcontractor	<ul style="list-style-type: none"> Action Plan Development Public Outreach
Dewberry	Subcontractor	<ul style="list-style-type: none"> Engineering Consultation GIS Mapping and GIS Data Analysis
Neel-Schaffer	Subcontractor	<ul style="list-style-type: none"> Engineering Consultation GIS Mapping and GIS Data Analysis
Phase 2 – Program Design and Development		
HORNE LLP	Prime Contractor	<ul style="list-style-type: none"> Overall Project Management HUD Compliance Manager AFFH & Section 3 Compliance Training
Spilman, Thomas & Battle PLLC	Subcontractor	<ul style="list-style-type: none"> Regulatory Compliance Policy and Procedures
Smith, Cochran & Hicks PLLC	Subcontractor	<ul style="list-style-type: none"> Quality Assurance/Quality Control Internal Audit
Dewberry	Subcontractor	<ul style="list-style-type: none"> Engineering Consultation
Neel-Schaffer	Subcontractor	<ul style="list-style-type: none"> Engineering Consultation
Phase 3 – Program Implementation*		
HORNE LLP	Prime Contractor	<ul style="list-style-type: none"> Program Management Program Compliance Manager Application Intake Production & Reporting Eligibility & Verification of Benefits
Spilman, Thomas & Battle PLLC	Subcontractor	<ul style="list-style-type: none"> Regulatory Compliance Public Outreach
Smith, Cochran & Hicks PLLC	Subcontractor	<ul style="list-style-type: none"> Quality Assurance/Quality Control Internal Audit
Dewberry	Subcontractor	<ul style="list-style-type: none"> Engineering and Construction Environmental Review
Neel-Schaffer	Subcontractor	<ul style="list-style-type: none"> Engineering Consultation Environmental Review

* Program Implementation roles are written for general program management, the finalization of which will depend on any implementation services requested once program design is finalized by the State.

ATTACHMENT A

- EXPERIENCE AND QUALIFICATIONS
- PROPOSED APPROACH AND METHODOLOGY
- PRICING



ATTACHMENT A: EXPERIENCE AND QUALIFICATIONS

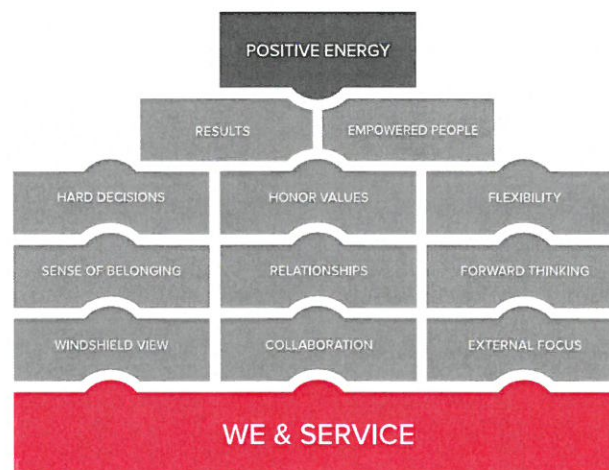
1) Firm and staff qualifications

At HORNE, we're on a mission to create value and make a real difference. This mandate drives the services we provide and the clients we choose to pursue. In 2005, Hurricane Katrina devastated our home state and impacted many of our team members in Mississippi. The opportunity to serve our neighbors and rebuild our community established HORNE's Government Services practice group, and since then, we have administered over \$22 billion of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds and helped over 50,000 impacted families in Mississippi, Texas, New Jersey, New York, Colorado, and South Carolina.

Our range of experience and unique perspective offers great value to the West Virginia Development Office (WVDO). We rely on our experience to guide innovation and excellence. It hones our foresight to anticipate implementation challenges and employ strategies that exceed expectations. HORNE understands that there is more than one way to recover and we will provide the WVDO with various options so the State can select the most comprehensive approach ensuring West Virginia's full recovery.

HORNE's Government Services practice group includes over 150 employees dedicated to careers in disaster recovery. This is not a side focus or a distraction from our day-to-day business; it is our core competency. Our singular focus is to improve the disaster recovery process and help communities rebuild faster and better than anyone thought possible. We are anchored by a team of Certified Public Accountants (CPA), Certified Internal Auditors (CIA), Project Management Professionals (PMP), Certified Fraud Examiners (CFE), Doctors of Jurisprudence (JD), and other highly-qualified, expert professionals prepared and eager to get West Virginia on the road to recovery.

We bring excellence in service. HORNE team members are driven by our core values, mission, and dedication to our clients based on our culture, the "Wise Firm." It is both who we are and who we aspire to be.



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TO LEARN MORE ABOUT
THE HORNE CULTURE.

2) Experience in completing similar projects

The proposed HORNE team has an extensive record of start-to-finish CDBG-DR project developments. We have assisted clients in defining Unmet Need; creating Action Plans; writing policies, procedures, and guidebooks; leading public outreach, and developing workflow processes from the planning phase through implementation and project closure. As a result, our expertise is not just academic. Our skills were forged in the field, **implementing over \$22 billion of grant-funded projects**, which means that our counsel comes from life experiences and recovery realities. We know that every community is unique and each state will make decisions during the action plan process to recover differently. Our breadth of experience can help you recover the West Virginia way and we can ensure that your way is successful.

POLICY ADVISORY & REVIEW EXPERIENCE

PROGRAMS	CDBG-DR Action Plan	Stafford Act Compliance	CDBG-DR Housing	CDBG-DR Infrastructure	CDBG-DR Economic Recovery	CDBG-DR Resilience	FEMA Public Assistance	FEMA Hazard Mitigation	Needs Assessments	Methods of Distribution	Stakeholder Engagement	Risk and Control Assessments	National Objective Strategies	Program Cross-Cutting	Section 3 and Davis Bacon	URA
City of Houston Action Plan	•		•	•	•				•		•	•	•			
South Carolina Action Plan	•		•						•		•	•	•			
South Carolina CDBG-DR Programs		•	•			•				•	•	•	•	•	•	•
Colorado Action Plan	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Colorado Hazard Mitigation		•	•	•		•	•	•					•	•	•	•
Mississippi FEMA Public Assistance		•		•			•	•				•		•	•	
Mississippi FEMA Hazard Mitigation		•					•	•				•		•	•	
Mississippi CDBG-DR Programs	•	•	•	•	•	•			•	•		•	•	•	•	•
Texas CDBG-DR Programs		•	•			•			•		•		•	•	•	•
Texas FEMA Public Assistance	•	•					•	•								
New York CDBG-DR Programs	•	•	•										•	•	•	•
New York SSBC Programs		•										•	•	•		
New Jersey CDBG-DR Programs	•	•														
Moore, Oklahoma Internal Audit		•	•	•		•				•	•		•	•	•	•

3) References

Name	Jeffrey R. Sanderson
Title	Program Management Director
Project Title	South Carolina Department of Commerce - CDBG-DR Action Plan
Telephone Number	803.896.4058
Email Address	Jeffrey.Sanderson@scdcr.sc.gov

Name	Tom McCasland
Title	Interim Director, Houston Department of Housing and Community Development
Project Title	City of Houston - CDBG-DR Action Plan
Telephone Number	713.868.8300
Email Address	Tom.McCasland@houstontx.gov

Name	Daron Wilson
Title	Chief Administrative Officer
Project Title	Mississippi Development Authority - Program Management Office
Telephone Number	601.359.2378
Email Address	dwilson@mississippi.org

Name	Marilyn Gally
Title	Colorado Office of Emergency Management
Project Title	Colorado Department of Homeland Security and Emergency Management - CDBG-DR Match Program
Telephone Number	720.852.6694
Email Address	marilyn.gally@state.co.us

Name	Daron Wilson
Title	Chief Administrative Officer
Project Title	Mississippi Development Authority - Hurricane Katrina Long Term Workforce Housing Program
Telephone Number	601.359.2378
Email Address	dwilson@mississippi.org

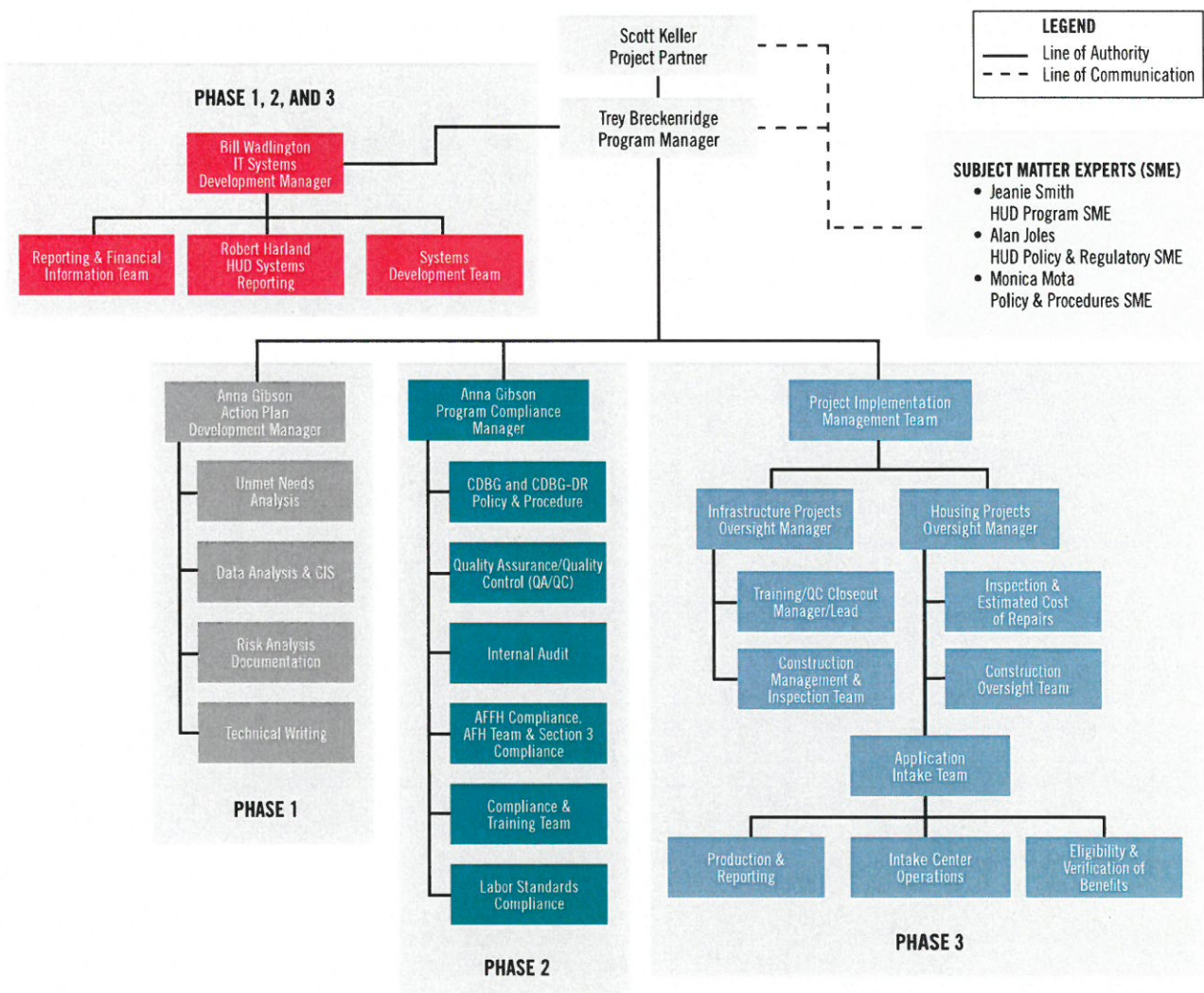
4) Copies of any staff certifications or degrees applicable to this project

Your HORNE project team will operate under the guidance of our HUD program knowledge leaders who bring over a century of combined experience. With strong leadership leveraged by the talents of Project Management Professionals (PMPs), Certified Public Accountants (CPAs), legal specialists, engineers and compliance specialists, we offer an unrivaled team. Your HORNE project team brings the perfect pairing of experience in HUD-funded assistance programs across seven states and local knowledge of West Virginia-based partners.

Please refer to **Appendix A** for key project personnel resumes and applicable certifications or degrees.

5) Proposed staffing plan

We offer a three-phased agile approach to project staffing with the ability to flex staff levels up or down to meet the unique needs of each phase in the program lifecycle.



6) descriptions of past projects completed detailing:

- a. The location of the project**
- b. Project manager name and contact information**
- c. Type of project**
- d. What the project goals and objectives were and how they were met**

Client: SOUTH CAROLINA DEPARTMENT OF COMMERCE
Type of Project: CDBG-DR ACTION PLAN
Project Manager: Jeffrey R. Sanderson, Program Management Director
 Jeffrey.Sanderson@scdr.sc.gov
 803.896.4058

Goals & Objectives:

In response to severe flooding in October 2015, HORNE supported the State of South Carolina to prepare a comprehensive Action Plan based on a data-driven needs assessment for rain and flood damage across 22 counties. In partnership with the University of South Carolina's Hazard and Vulnerability Research Institute (HVRI), HORNE conducted an in-depth unmet needs assessment that combined damage assessment data from federal entities and state records with quantified statistics on social vulnerabilities in the impacted areas. Results of the analysis revealed the greatest unmet need to be in housing, particularly for low-to-moderate income residents.

HORNE assisted the State with the development of an **Action Plan for their \$96 million in CDBG-DR funds on a 30 and 90-day timeline as prescribed by the Federal Register**. Within 30 days of the Federal Register announcement, HORNE worked with South Carolina to document the State's administrative structure and financial management systems to create a comprehensive risk analysis and Implementation Plan as evidence of sufficient management infrastructure for the Housing and Urban Development Agency (HUD). Approximately **57 days ahead of the 90-day timeline, HORNE delivered a fully developed Action Plan** and supported a robust stakeholder engagement in five public hearings. Throughout the course of the project, HORNE provided compliance insight and best practice advice. We presented comparative models for program administration on a variety of housing structures from traditional stick-built homes to mobile home units and single and multifamily rental properties.

Client: CITY OF HOUSTON
Type of Project: CDBG-DR ACTION PLAN
Project Manager: Tom McCasland, Interim Director,
 Houston Department of Housing and Community Development
 Tom.McCasland@houstontx.gov
 713.868.8300

Goals & Objectives:

The City of Houston, Texas suffered severe flooding in May and October 2015. Upon notice of its first ever direct CDBG-DR award, HORNE was called upon by the City to develop the comprehensive Action Plan setting forth the City's recovery plan. HORNE collaborated with multiple local agencies, the state of Texas, and federal partners to develop the in-depth unmet needs assessment that combined damage assessment data from federal entities and local records with detailed statistics on housing and infrastructure vulnerabilities in the impacted areas. Results of the analysis revealed the greatest unmet need to be in the City's infrastructure systems, particularly those supporting low-to-moderate income areas.

HORNE assisted the City with the development of an Action Plan for their \$66,560,000 CDBG-DR grant, meeting the timeline as prescribed by the Federal Register. Within 3 days of the Federal Register announcement, HORNE began work with Houston to assess the City's administrative structure, staffing capacity, and financial management systems to create a comprehensive risk analysis and Implementation Plan. The HORNE team of experts guided the City through the myriad of regulatory requirements and program implementation considerations to develop a comprehensive program which capitalized on the interdependent relationship between housing, infrastructure, and economic development which became the foundation of the City's CDBG-DR15 Program. Houston's allocation of \$66,560,000 was leveraged with other sources of result in a strategic and effective recovery effort by:

- 1) Ensuring that a range of recovery needs are met;
- 2) Assuring flexibility to address short-term and long-term recovery needs;
- 3) Enabling communities to meet needs that would not likely be addressed by other funding sources; and
- 4) Strengthening communities' resilience to yield better protection against future flooding events.

Given the limited amount of the CDBG-DR15 allocation, and the eligibility of critical infrastructure projects under the HUD's CDBG-DR program, HORNE assisted the City to develop a plan to address the majority of the affordable home ownership housing needs through a local bond issuance and the infrastructure needs through the CDBG-DR15 allocation. Through our partnership, the City was able to identify a path to create a housing program providing various forms of assistance to address the identified needs through the \$100 million bond issuance. By leveraging the two funding streams, the flexible capital provided through the bond issuance would begin to immediately address the unmet housing needs, while the CDBG-DR infrastructure projects are put in place. Such an innovative approach yielded a full recovery plan, including resiliency measures to be implemented by the City, ensuring the comprehensive recovery for Houstonians.

Client: **MISSISSIPPI DEVELOPMENT AUTHORITY**
Type of Project: **PROGRAM MANAGEMENT OFFICE (PMO)**
Project Manager: Daron Wilson, Mississippi Development Authority, Chief Administrative Officer,
 dwilson@mississippi.org
 601.359.2378

Goals & Objectives:

Following Hurricane Katrina, HORNE deployed a Project Management team in the State of Mississippi to facilitate cross-program coordination, create streamlined reporting, monitor project finances, coordinate document management, and work directly with the State to ensure overall compliance. We approached the situation from a creative standpoint, as Hurricane Katrina left states impacted by the storm faced with a large task. This task entailed administering billions of dollars in CDBG-DR funds through the prism of an unprecedented disaster, a host of new requirements, and the need for waivers to effectively tailor spending.

Ultimately, our team helped expedite recovery programs and saved the State of Mississippi more than \$30 million. This required a flexible and experienced response team prepared for the unknown and ready to execute at a moment's notice. The Governor's office and the Mississippi Development Authority (MDA) recognized a need for an overall project management contractor to facilitate coordination across state programs and divisions of authority.

The HORNE PMO provided MDA with a central source for program support and process solutions that encompassed 18 different programs. Some of the programs under the PMO umbrella included:

Homeowner Assistance Program	\$2,032,306,633
Gulf Region Water and Wastewater Program	\$630,025,000
Community Revitalization Program	\$292,208,840
The Port of Gulfport Restoration Program	\$576,800,000
Long-term Workforce Housing Program	\$230,310,811
Neighborhood Home Program	\$181,679,644
Small Rental Assistance Program	\$209,790,012
Elevation Grant Program	\$37,663,042

The HORNE PMO maximized value by responding quickly and creatively to MDA's program needs. Our team increased efficiency and conserved resources through a variety of tailored solutions. To ensure proper allocation of delivery, administrative, and activity costs, we developed cost classification tables for MDA and provided guidance around federal regulations including 24 CFR 570.205-.206. Working closely with HUD, HORNE ultimately reclassified over \$45,000,000 in administrative activities to project delivery activities to properly reflect the underlying activities performed. Our team designed and executed a program-wide Document Management solution that scanned and indexed over 3.4 million pages. We coordinated over 1,200 applicant closings and employed a data warehouse to combine multiple existing processing systems into a central data repository for streamlined maintenance and better control.

In order to encourage centralized processing, consistent decisions, and better reporting, we automated the applicant appeals process. HORNE provided internal monitoring services of the Homeowner's Assistance program, **identifying over 200 cases of suspected fraud**. Staff training presentations were offered regarding finance, internal controls, and project cost classifications, among others. Our team forecasted budgets, completion timeframes and production. We also promptly fielded data requests from the Governor's office, GAO, OIG, housing constituencies, and MDA utilizing our live, web-based reporting solution. We coordinated and communicated policies and best practices across multiple state agencies, projects, and municipal governments.

Client: **COLORADO DEPARTMENT OF HOMELAND SECURITY
AND EMERGENCY MANAGEMENT**

Type of Project: **CDBG-DR MATCH PROGRAM**

Project Manager: Marilyn Gally, Colorado Office of Emergency Management
marilyn.gally@state.co.us
720.852.6694

Goals & Objectives:

HORNE serves the State of Colorado in support of its recovery from severe flooding in September 2013 that impacted 18 counties and proved the most costly disaster in Colorado's history. Our team, which mobilized within 48 hours, provides programmatic guidance, financial and compliance reviews of reimbursement requests for approximately **\$67 million received from HUD in response to the flooding** and associated mountain wildfires which exacerbated the inundation. In less than a year, HORNE has reviewed approximately \$20.5 million in reimbursement requests associated with these disaster events.

Project types approved for funding include the acquisition of damaged properties and the repair or replacement of infrastructure, such as roads, bridges, and streambed restoration. The projects encompass multiple national objectives, including low-to-moderate income areas and individuals, slum and blight, and urgent need. Subrecipients are reimbursed by a combination of sources, including stand-alone CDBG-DR funding and local cost share matches of FEMA PA, HMGP, and other grant awards. For some projects, HORNE implemented a prioritized matching process that enabled communities to use CDBG-DR funding to cover their local cost shares of projects that were started and/or completed prior to the obligation of HUD funding.

HORNE's comprehensive review processes cover procurement standards, determination of funding and project activity eligibility, Davis Bacon payroll verification, Section 3 compliance assistance, and duplication of benefits analysis for over 80 projects and more than two dozen subrecipients. HORNE also assists DHSEM with project tracking, monthly and quarterly reporting, closeout package review, monitoring and site visits, and document management.

In partnership with DHSEM, we have conducted multiple extensive on-site training and technical assistance workshops for the affected local communities; communities that are unfamiliar with disaster recovery funding requirements. Our team has also assisted DHSEM in the review and eligibility determination of applications submitted for two of the three allocations of HUD funding. As subject matter experts, HORNE has also provided feedback and thought leadership to DHSEM on its internal policies and procedures.

Client: **MISSISSIPPI DEVELOPMENT AUTHORITY**
Type of Project: **HURRICANE KATRINA LONG TERM WORKFORCE HOUSING PROGRAM**
Project Manager: Daron Wilson, Mississippi Development Authority, Chief Administrative Officer,
 dwilson@mississippi.org
 601.359.2378

Goals & Objectives:

The Mississippi Development Authority (MDA) contracted with HORNE in 2008 to provide program management services in support of the Long Term Workforce Housing Program (LTWH) for South Mississippi residents impacted by Hurricane Katrina. The LTWH Program, funded by the HUD CDBG program, provides grants and loans to local units of government, non-profits, and for-profit organizations to provide long-term affordable housing in Hancock, Harrison, Jackson, and Pearl River counties located along the Mississippi Gulf Coast.

The LTWH program assisted individuals with low or moderate incomes attain adequate housing, eliminate and prevent slum or blight, and assist communities with rapid recovery due to an immediate threat to the well-being of the residents. HORNE provided oversight for over \$230 million in program funding for the LTWH program consisting of more than 39 subrecipients or grantees in a two-year period.

We continue to provide unrivaled experience with CDBG-Disaster Recovery dollars, housing program implementation, financial monitoring, and reporting requirements.

HORNE was responsible for consulting with MDA to develop and implement CDBG-compliant processes. Some of these CDBG-compliant processes included area median income (AMI) compliance, Stafford Act compliance, and creating successful low- and moderate-income (LMI) housing initiatives.

SUPPORT TO STATE & LOCAL

- Prepared subrecipients for contract, reviewed policies and procedures, and conducted training sessions on cash request processing, HUD policies, and Fair Housing requirements.
- Automated Stafford Act compliance and processed more than 5,000 housing applicants for duplication of benefits of other federal assistance programs.
- Created customized reporting tools that expanded transparency and accountability by aging and tracking all project processes and events.
- Developed a Housing Applicant Income Verification process that determined applicant eligibility and monitored HUD income requirements to increase subrecipient compliance.
- Automated the quarterly GAO reporting requirements and HUD's DRGR to establish transparency and consistency.
- Provided policy recommendations on program income, subrecipient financing, allowable expenses, and duplication of benefits verification.
- Instituted real-time milestone reporting that allows managers 24/7 access to web-based reports.
- Automated the cash request process and paid subrecipients' cash requests in less than 10 days.
- Maximized CDBG dollars by developing program cost matrixes to help MDA properly classify administrative, project delivery, and activity expenses for each project.

The LTWH Program demonstrates HORNE's depth of knowledge in all facets of CDBG-DR housing that can be utilized in program design and implementation. The LTWH Program consists of many different types of programs, including down payment assistance, single family rehabilitation, multi-family rehabilitation, single family new construction, community outreach, multi-family new construction, senior housing, and a program that provided soft second mortgages to low-income individuals that did not meet traditional lending standards. HORNE not only provided oversight to these programs but worked hand-in-hand with MDA to work through barriers and implement these programs from inception to completion.

Client: **NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION**
Type of Project: **PRE-CONSTRUCTION SERVICES FOR BUILD IT BACK RELIEF PROGRAM**
Project Manager: Amy Peterson, Director, NYC Housing Recovery Office
 APeterson@recovery.nyc.gov
 212.615.8023

Goals & Objectives:

Dewberry is supporting the Mayor's Office of Housing Recovery Operations (HRO) in partnership with New York City Economic Development Corporation (NYCEDC) with pre-construction services related to the New York City (NYC) "Build it Back" program. NYC "Build it Back" is a federally funded City program to assist homeowners, landlords, and tenants in the five boroughs whose homes were impacted by Hurricane Sandy. The program is funded by U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) funds. **The City received more than 20,000 applications**, including both single- and multi-family residences.

For each application, Dewberry is responsible for:

- Inspecting residences to assess the level of damage incurred;
- Estimating the cost to complete rehabilitation (including the development and implementation of appropriate strategies to address resiliency or mitigate environmental concerns); and
- Conducting an environmental review to clear the projects for the use of federal funds.

Many of the structures require asbestos and lead inspections to be performed by qualified NYCDEP Asbestos Investigators and USEPA Lead Risk Assessors. Samples collected during inspections are

delivered to an accredited laboratory retained directly by Dewberry. The Program's success will be defined by efficiently making awards to applicants and completing construction while maximizing the impact of available funding. Dewberry developed and refined a process flow to support accurate inspections and cost estimates, as well as thorough environmental review that complies with the long roster of environmental acts and regulations required for federally funded projects.

Environmental review is required for historic preservation, floodplain and coastal zones, wetlands, endangered species, air quality, noise, hazardous materials and waste, and environmental justice, among other categories.

PROBLEMS & SOLUTIONS

Coordinating the expectations of various stakeholders. While funding details and deliverables were still being developed at the federal level, the City needed to get the program in place to respond to the needs of residents quickly and efficiently. Leveraging our knowledge of federal and local environmental regulations, as well as practical insight on how to get things accomplished in NYC, Dewberry professionals worked with the HRO, HUD, New York City Department of Housing Preservation and Development, NYC Housing Authority, and a multi-agency stakeholder group to develop this unprecedented program.

Our proactive methods enabled us to define expectations and shape a process to deliver on those expectations. We are using the power of cloud-based and GIS-based data management to streamline inspection, cost estimating, feasibility pathway determinations, and environmental reviews and facilitate processing the large volume of applications and data. Our unique partnership with NYC HRO has earned Dewberry the reputation as a trusted partner. We have been commended on our flexibility and resourcefulness and received many accolades from applicant homeowners for our professionalism.

Responding to Fluctuating Workloads

Work under this contract is subject to extreme staffing fluctuations. At some points in the timeline, work is slow awaiting decision-making and direction at the agency level. On short notice, we were able to ramp up resources to process hundreds of applications per day. During our peak production month, Dewberry had over 150 staff and six sub consultant firms working to "Build It Back."

Post Event Assessments

Inspectors, armed with the latest technology installed on field tablets, completed a comprehensive 200 item damage assessment checklist to establish the damage baseline and collect the information needed for engineering feasibility and environmental/historic compliance reviews. Primary information collected included building structure/electrical/plumbing/HVAC damage; evidence of lead, asbestos, and mold. Dewberry utilized 50 inspectors to achieve a maximum daily production rate of 150 inspections per day.

NEPA/Historic Compliance Reviews

Dewberry Environmental, Floodplain, and Cultural/Historic Resource specialists conducted an automated map and database screening of environmental impacts associated with each structure and land parcel in order to complete "no impact" site-specific Tier II environmental reviews. The site-specific review includes assessing the environmental compliance of pre-award activities already completed to authorize reimbursement payments as well as the review of proposed future project scope to complete rehabilitation or reconstruction. Build it Back is the first CDBG-DR program to include reimbursement for pre-award activities using federal funds and environmental review. Dewberry coordinated directly with NYS Department of Environmental Conservation (DEC) to digitize existing spill data and review Project

Manager files to fully assess potential hazardous waste impacts to residential projects. Dewberry also coordinated with HRO, NYC Housing Preservation and Development, and NYS DEC on a program-specific general permit and procedures for construction in regulated wetland adjacent areas. Individual FONSI and/or Phase II ESA/Subsurface investigations will be conducted as needed.

Feasibility Reviews

Using the results of the field assessment, Dewberry determines whether a property was substantially damaged as defined by NFIP and the NYC Department of Buildings (DOB). The feasibility review also includes an initial estimate of the substantial improvement calculation required by NYC DOB. This estimate includes allowances for identified hazardous material abatement and relocation of the structure's primary mechanical utilities to improve resiliency to flooding. All properties found to be substantially damaged or estimated to be substantially improved undergo a cost reasonableness analysis comparing elevation to demolition and reconstruction. Dewberry engineers, mitigation experts, and construction specialists coordinated with HRO to develop a series of standard foundation conceptual designs and associated cost models based on FEMA publication 550. As part of the cost reasonableness analysis, Dewberry also reviews projects for anticipated compliance requirements associated with the NYC Fire Code and electrical section of the Building Code. Cost models are based on the above grade area of the structure; the structure dimensions and existing foundation; the total number of existing living units and number of stories above grade; and the flood zone, base flood elevation, and modeled ground elevation. Special engineering studies will be conducted as needed.

Regulations Knowledge

Dewberry professionals leveraged our knowledge of federal regulations and design and construction experience to support HRO in refining the development and implementation of this unprecedented program. We consulted on the format and content of program deliverables to promote acceptance by HUD as well as other city and state agencies involved in the program. We also offered recommendations on the overall process flow to improve program efficiency and applicant experience.

ATTACHMENT A:

PROPOSED APPROACH AND METHODOLOGY

1) General Statement:

a) The Agency requests proposals for Project Management Services for the Agency.

HORNE acknowledges the General Statement above. We submit this proposal as our formal interest in providing qualified staff for performing the services contained herein.

2) Specifically, the Agency requests the following services to be provided:

a) Adherence to U.S. Department of Housing and Urban Development (HUD)

Regulations and Program Requirements

- i. Review and understand traditional CDBG program compliance issues, the Community Development Act of 1974 as applicable and 24 CFR Part 570 which represent the appropriation of federal Community Development Block Grant dollars; the myriad of waivers, action plan amendments and HUD's guidance on these dollars; as well as applicable state laws and regulations.*
- ii. Understand the requirements under 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as applicable.*
- iii. Understand the provisions of the Fair Housing Act, 24 CFR Part 35, 24 CFR Part 58, 24 CFR Part 135 and other applicable regulations, including the requirements related to fair housing, nondiscrimination, labor standards and the environment.*
- iv. Understand all requirements and regulations identified in the Federal Register Notice issued by HUD regarding the use of CDBG-DR funds.*
- v. Ensure compliance with all applicable requirements.*

The HORNE team has over a decade of experience in HUD-funded assistance programs. Our team of knowledgeable leaders is familiar with the State's CDBG program compliance and is able to meticulously navigate the myriad of waivers and successfully guide states through the program parameters in order to maximize results.

In fact, HORNE's West Virginia Project Management (PM) team has been assembled to do just that. Your HORNE Team includes both former long-time career and senior HUD staff who have worked with Congress to help draft appropriation language and the department's subsequent guidance that implemented HUD's State CDBG program.

While we are more than familiar with HUD's State CDBG program, we are also extremely well-versed in CDBG-DR programs. While CDBG-DR funds allow for great flexibility, there are four important exceptions. The Secretary cannot waive requirements related to:

- 1) Fair Housing,
- 2) Nondiscrimination,
- 3) Labor standards, or
- 4) The environment.

We specialize in these areas. HORNE has developed a system by which it will ensure compliance with all applicable requirements, the framework of which is as follows:

- Assess subrecipient capabilities;
- Review and ensure compliance with the customized subrecipient agreements;
- Use the subrecipient agreement for the foundation of education and monitoring;
- Perform status update meetings with each grantee;
- Customize the monitoring of each grantee;
- Perform internal control review; and
- Monitor disbursement timing and documentation.

While HUD's CDBG and CDBG-DR programs permit the same eligible activities under 24 CFR 570, there are significant differences in their funding methods, program reporting, duplication of benefit considerations, and the opportunity for alternative requirements and waivers when such would serve the best interest of the community. Both are allocations calculated to award a community the grant funds necessary to increase the quality of life for its residents through creating housing opportunities, improving public infrastructure projects, bolstering public services, and deploying creative economic development opportunities.

CROSS-CUTTING REGULATIONS

Our knowledge leaders have intricate knowledge of the interrelated rules and regulations that govern HUD assistance programs, including CDBG-DR. Having managed HUD-funded programs in multiple states, we bring a vast amount of knowledge and experience to the table. In coordination with our clients, we develop policies and procedures to reflect the applicable regulations and mitigate material risks.

2 CFR 200

As a team of experienced regulatory professionals under the umbrella of a CPA firm, HORNE is perfectly positioned to offer the WVDO the expertise necessary to monitor the compliance of its programs under the multitude of regulatory requirements, including 2 CFR 200. Our team not only knows the regulations — we have implemented these requirements successfully time and again across seven states.

HORNE's experts are frequently requested to serve as key lecturers on 2 CFR 200. Therefore, as provider for project management services, your HORNE team will serve as subject matter experts to ensure subrecipients and other stakeholders, including the program managers, are aware of and maintain compliance with all regulatory requirements.

HORNE brings knowledge and experience to monitoring practices and our experts in 2 CFR 200 can translate complex regulatory compliance requirements into actionable implementation steps for program participants.

- Financial Management Systems
 - Organizational design and use of systems to confirm accurate, current, and complete disclosure of the results of financially assisted activities to ensure they are in accordance with the financial reporting requirements of the grant
- Procurement
 - Grantees must consider whether to follow federal or state procurement regulations and apply consistently throughout the life of the program.
- Conflict of Interest
 - Program participants must maintain objectivity in the bidding process to ensure no conflict of interest exists that might result in personal or financial gain.
- Record Keeping
 - Contract and accounting records should be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract, and subrecipient award documents, etc.
- Audit Requirements
 - Financial statement audits must be performed by an independent, state-licensed person or firm in accordance with generally accepted auditing standards for recipients of federal funding at, or above \$750,000.
- Cost Principles
 - All costs must be consistent with 2 CFR 200 requirements for:
 - Necessary Costs,
 - Cost Reasonableness,
 - Allowable Costs, and
 - Cost Allocability.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Implementing Fair Housing activities is an essential part of the CDBG responsibilities of grant recipients and through the receipt of these funds, grantees will be called upon to increase housing opportunities and affirmatively promote fair housing throughout the entire housing market. Programs should take care to minimize the displacement of affected residents and consider the impacts of program design on housing choice for impacted populations. A grantee's activities may include a variety of independent actions or cooperative ventures but, regardless of the activity, the grantee must ensure that each is conducted in a manner which will not cause discrimination on the basis of race, color, religion, sex, disability, familial status, or national origin. Additionally, the State must demonstrate that it is Affirmatively Furthering Fair Housing (AFFH) and reducing barriers to fair housing.

At HORNE, we are passionate about ensuring compliance with fair housing policies. We believe that equal treatment and opportunity for all is an intrinsically critical element of a successful program. Equal and free access to residential housing is fundamental to meeting essential needs and pursuing personal, educational, employment, and other goals. In the wake of a disaster, the importance of achieving housing choice is even more critical.

Just as West Virginia has in the past with other CDBG funds, the State must submit to HUD a certification that through the specific administration of these programs it will be affirmatively furthering fair housing. This certification requires three crucial components:

- Update its most recent Analysis of Impediments to Fair Housing Choice (AI) as applicable;
- Take actions to overcome the effects of any impediments identified; and
- Maintain records reflecting the actions taken in response to the analysis.

Through its State CDBG and its CDBG-DR programs, West Virginia must demonstrate that it is affirmatively furthering fair housing by reducing barriers to fair housing. If necessary, our team will update the State's 2014 AI to identify all impacts the disaster had on housing choice and any additional barriers that need to be resolved. The HORNE team's approach includes methods that consider the entire community's experience of the disaster, especially as those views relate to fair housing barriers.

Our team of experts is ready to immediately assess how the disaster impacted the location, availability, and accessibility of housing, and how conditions, both private and public, have affected fair housing choice. We will work with the State and all stakeholders to conduct a thorough examination of a variety of sources related to housing, the fair housing delivery system, and housing transactions. We will give particular focus to those persons who are protected under fair housing law and how the disaster impacted them specifically.

We will update the AI considering the impacts stemming from the disaster in both the public and the private sector. The update will entail a comprehensive review of the most recent Analysis of Impediments and any updates thereto.

Next, the HORNE team will conduct a comprehensive review of how the State's laws, regulations, and administrative policies, procedures, and practices affected the location, availability, and accessibility of housing; an assessment of conditions, both public and private, affecting fair housing choice for all protected classes; and, a post-disaster assessment of the availability of affordable, accessible housing in a range of unit sizes.

If desired, we can assess a number of quantitative and qualitative sources. Quantitative sources used in analyzing fair housing choice in the State may include but is not limited to the following:

- Socio-economic and housing data from the U.S. Census Bureau,
- Employment data from the U.S. Bureau of Labor Statistics,
- Economic data from the U.S. Bureau of Economic Analysis,
- Investment data gathered in accordance with the Community Reinvestment Act,
- Home loan application data from the Home Mortgage Disclosure Act, and
- Housing complaint data from HUD.

In conjunction with the public hearings related to the CDBG-DR Action Plan, the HORNE team could also conduct public input opportunities in relation to the update of the AI to ensure all concerns are heard. Such opportunities might include a fair housing forum, a fair housing survey focusing on impacts of the disaster, and discussions with members of local public housing authorities or planning committees.

Once our team identifies the existence, nature, extent, and causes of any critical fair housing concerns, we will ascertain the resources available to resolve them. Without this information, measurable results cannot be attained. We know that in order to bring the hard work of planning and analysis to fruition, the State must implement its fair housing approach through its programs. In our experience the most effective implementation of these actions will be realized if the State has defined objectives with

measurable results that are supported by key elements in the community and designed to address real fair housing problems.

Your HORNE team consists of the experts ready to analyze, define and develop a comprehensive updated Analysis of Impediments that will achieve these objectives. We understand that the programs should minimize the displacement of affected residents and consider the impacts of program design on housing choice for impacted populations. To this end, we have vast experience in developing innovative policies and guidelines for multi-million-dollar housing choice programs that provided fair housing support services for eligible low-to-moderate income residents. These critical and innovative housing services allowed eligible residents to relocate to neighborhoods of higher opportunity and less flood risk.

Finally, we will ensure that all records are maintained reflecting the analysis and actions taken to update the AI and implement the actions defined therein. Some of the types of documentary records to be maintained will include the updated AI and support documentation regarding the actions undertaken to eliminate any identified impediments. As additional support for the State's AFFH certification, we will ensure that the following documentation is included in the State's records:

- A description of the nature and extent of the State's commitment to the fair housing plan;
- A description of any financial and/or in-kind support for the fair housing plan, including funds or services provided by the jurisdiction, nonprofit organizations, private individuals, colleges, universities, contractors, and staff support;
- A list of groups participating in the formulation of the comprehensive updated AI and fair housing plan;
- Transcripts of public meetings/forums and citizen comments/input; and
- Progress reports.

LEAD-BASED PAINT

The HORNE team has been identifying and performing environmental mitigation practices for decades. Our team has policies and procedures in hand that outlines the steps that contractors and subrecipients must take to mitigate the effects of lead-based paint (LBP) before, during, and after rehabilitation or acquisition of pre-1978 housing using HUD grant funds.

Where a lead hazard is identified, HORNE will work with the applicant to provide Environmental Protection Agency (EPA) information and obtain a signature on required program forms to permit the remediation of related hazards. Our number one concern is for the resident. Our team will clearly consult the program applicant on critical information regard health and safety concerns associated with exposure to lead.

HORNE will work with WVDO to ensure the appropriate measures are in place for a compliant LBP program and that all work will be performed by an EPA Lead Safe Certified Contractor using EPA lead safe work practices. If construction work is conducted on the property, HORNE will support WVDO to ensure a Lead Clearance inspection is performed to verify there are no lead hazards before the resident moves back in.

ENVIRONMENTAL REVIEWS

HUD Environmental Review guidelines advocate a two-tiered review process for compliance with National Environmental Policy Act (NEPA) and other federal state regulations and executive orders. In general, the Tier I Environmental Review defines a proposed program's action-area, describes the proposed activities, and helps identify potential environmental effects of these activities on NEPA compliance

factors, Executive Orders, HUD environmental standards, and action-area wide issues of concern (i.e., land use zoning). Since housing project locations are often scattered and not precisely identified at this level of review for HUD-funded programs, the potential environmental effects cannot be evaluated at the site-specific level. Nonetheless, the Tier I analysis can generally describe the environmental conditions and factors that must be considered during execution of a program. The Tier I Environmental Review (ER) will provide a sufficient level of detail to support a Finding of No Significance (FONSI) for the HUD-funded program to be implemented. It may help eliminate or minimize unnecessary and repetitive evaluation of certain compliance factors prior to the Tier II site-specific Environmental Assessments of individual construction project sites once they are identified. Based upon HUD requirements and program needs, separate Tier I reviews may be needed for single family (1-4 units), multi-family programs on a county by county basis.

The site-specific, or Tier II, assessments will verify the Tier I findings applicable to an individual site, and provide sufficient documentation about the target property, the proposed construction project and selected mitigation measures appropriate to achieve environmental compliance with NEPA factors, HUD Environmental Standards and state and local requirements. For sites not in compliance with the Tier I ER, site specific Environmental Assessments will be needed for compliance with NEPA such as sites with impacts to wetlands.

Our team will:

- a) Ensure that each program being funded complied with 24 CFR Part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (see specifically 24 CFR 58.18). In addition to outlining required procedures for assessing the environmental viability of the proposed action, Part 58 specifies procedures that must be followed in releasing HUD funds to project sponsors (see Subpart H of Part 58). Part 58 also requires that the actions of project sponsors during project implementation are monitored and the environmental requirements on which the grant of HUD funds is conditioned (24 CFR 58.18(a)(1) is enforced.
- b) Prepare general guidance for project sponsors that (1) list the basic elements of an environmental assessment, (2) address common misconceptions about the environmental review process, and (3) list sources of critical information.
- c) Evaluation of each environmental review package will include the following basic steps:
 - i. Initial review of the package to assess its completeness and to identify significant environmental issues
 - ii. Preparation of initial written comments on components of the environmental review that must be added or strengthened
 - iii. Inspection of the proposed site and its surroundings to check the accuracy of the environmental review
 - iv. Preparation of additional written comments on any inaccuracies identified during the site inspections
 - v. Review of the environmental review package as revised by the project sponsor
 - vi. Preparation of suggested "conditions of approval" to be added to the final environmental assessment prior to approval by the Agency to ensure all information shared during review process
 - vii. Performance of lead-based paint identification, remediation, and inspection activities as needed for covered structures

SECTION 3

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and implementing regulations at 24 C.F.R.135 (Section 3) requires recipients and subrecipients such as WVDO to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance shall, to the greatest extent feasible, consistent with existing federal, state and local laws and regulations, be directed to low- and very low- income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very low-income persons. The HORNE team fully embraces the spirit and intent of Section 3 and will assist WVDO in setting forth policies and procedures in accordance therewith. Our team of experts understands that the policies are applicable to contractors, subcontractors, and others engaged in projects funded through the WVDO with funds sourced from HUD.

Our team of experts is also fully aware that WVDO has specific responsibilities as the recipient of the HUD funds and we will help to ensure Section 3 compliance with those responsibilities is maintained. HORNE is aware that there are several key components to WVDO's successful Section 3 program. Some of those components include but are not limited to a detailed Section 3 Plan, education of subrecipients, education of contractors and subcontractors, monitoring for compliance, outreach to Section 3 businesses and residents, reporting to WVDO as well as HUD and, finally, record keeping. HORNE is prepared to assist WVDO in any way to continue the progress it has already realized under its Section 3 Program.

Our team is also well aware of the specific responsibilities of WVDO as recipient set forth in the regulations which include but are not limited to the following:

- a) Implementing procedures designed to notify Section 3 residents about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance
- b) Notifying potential contractors for Section 3 covered projects of the requirements of the Section 3 regulations, and incorporating the Section 3 clause set forth in § 135.38 in all solicitations and contracts
- c) Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities such as described in the Section 3 regulations, as appropriate, to reach the goals set forth in § 135.30
- d) Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of the Section 3 regulations, and refraining from entering into any contract with any contractor where WVDO has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135
- e) Documenting actions taken to comply with the requirements of the Section 3 regulations, the results of actions taken and impediments, if any
- f) WVDO must also attempt to reach the numerical goals set forth in § 135.30 regardless of the number of local governments receiving funds from the Section 3 covered assistance which meet the thresholds for applicability set forth at § 135.30. WVDO or the county must inform units of local government to whom funds are distributed of the requirements of the regulations; assist local governments and their contractors in meeting the requirements and objectives of the Section 3 regulations, and monitor the performance of local governments with respect to the objectives and requirements of the regulations.

HORNE is also keenly aware that recipients of covered funding are considered to be in compliance with Section 3 if they meet the minimum numerical goals set forth in 24 CFR Part 135.30 and submit all required reporting to HUD. Specifically, WVDO's minimum numerical goals are as follows:

- 30% of the aggregate number of new hires shall be Section 3 residents
- 10% of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns
- 3% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns

HORNE will assist WVDO in any way and by any means necessary to achieve its Section 3 goals. Some of the specific efforts with which we will assist WVDO are as follows:

- Sponsoring an employment and training program, for Section 3 residents
- Establishing training programs, which are consistent with the requirements of the Department of Labor, for public housing residents and other Section 3 residents in the building trades.
- Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every public housing development.
- Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- Assist WVDO in the utilization of procurement procedures to ensure Section 3 preference is provided to Section 3 businesses bidding on remaining projects.
- Assist WVDO and subrecipients in determining the responsibility of potential contractors, by considering their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the housing authority.
- Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice shall be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.
- Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.
- Informing non-Section 3 businesses how they can locate Section 3 businesses with which they could partner on the upcoming contracting opportunities.
- HORNE will carry out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English.
- HORNE will develop and maintain a list of eligible Section 3 business concerns which can be easily accessible on the WVDO disaster recovery website for the use of all interested stakeholders. This list will identify Section 3 businesses which have previously certified on a HUD project for other contractor's use.

HORNE is aware that in the event WVDO is unable to meet the minimum numerical goals above, it must be able to demonstrate why it was not possible to do so. As our team assists WVDO in undertaking the efforts described above, we will maintain records that describe the efforts that were taken, barriers encountered, and other relevant information that will enable HUD to make a positive compliance determination. We understand that it is critical to document efforts made to comply with Section 3. Program files should contain memoranda, correspondence, advertisements, etc. illustrating attempts to meet Section 3 goals (e.g., to reach out to eligible persons regarding employment or training and/or business concerns).

Documentation will show the steps taken to implement the plan, and will most likely cross-reference information in other files, such as procurement and construction contracting.

FEDERAL REGISTER

CDBG-DR appropriations generally grant HUD broad authority to issue waivers and alternative requirements, which are identified in a Federal Register Notice issued by HUD shortly following the announcement of allocations.

The Federal Register Notice, which authorizes the requirements for successful release of funds, will stipulate how West Virginia must plan for its allocation. A critical first step to the release of the HUD CDBG-DR funds will be the State's development of an Action Plan or Amendment to its Consolidated Plan as appropriate. It is also the State's opportunity to chart the course of the recovery process in a way that maximizes impact, creates flexibility for programs across individual communities, and facilitates efficient and expedient project implementation once approved.

Although the Federal Register has not yet been released for West Virginia's recent CDBG-DR allocation, given our vast and recent Action Plan development experience in 2016, HORNE knows what to expect. We are ready to assist WVDO on day one to move forward with Action Plan development based on proven models so the State can begin work without delay.

ENSURED COMPLIANCE

HORNE's compliance oversight team includes Quality Control (QC) Specialists that can perform full and complete reviews from start to finish of program applications that are pulled from an automatic random sample to verify that file documentation supports eligibility and awards. The staff includes Certified Public Accountants (CPA), Certified Internal Auditors (CIA), and Certified Fraud Examiners (CFE) who are trained in identifying discrepancies in file documentation and errors and omissions in data. They are also responsible for identifying fraud, waste, and abuse and working with intake staff to correct deficiencies in applicant files. They remain an independent group who reviews files with an objective eye to ensure full compliance with eligibility and duplication of benefits requirements.

3) Assist the Agency in development of a comprehensive CDBG-DR Action Plan according to the requirements outlined in the HUD Federal Register Notice describing the needs, strategies, and projected uses of the Disaster Recovery funds. This plan will also determine and guide how any additional CDBG-DR funding related to the current disaster would be utilized.

As veterans of serving during recovery efforts for more than 11 years, HORNE embraces an innovative approach to utilizing CDBG-DR. At a time when local resources are strained and disaster recovery needs are great, we bring critical knowledge of creative financing solutions and program design to our clients

in order to maximize recovery of impacted communities. In Colorado, our data-driven approach helped the State drive their initial allocation of \$60 million to a total of \$320 million in CDBG-DR funding. In South Carolina, HORNE supported the State to create a robust public engagement for their \$96 million plan by completing the full Action Plan ahead of schedule allowing for a full 2 weeks of public hearings. And again for the City of Houston, Texas, we worked hand-in-hand with the City on its first ever direct CDBG-DR allocation to design a comprehensive strategy which included plans to leverage the CDBG-DR allocation against local funds to maximize the impact of its recovery program. HORNE's vast experience in recovery efforts across seven states has taught us where the bottlenecks and challenges can occur and equips us with the practical approaches necessary for removing those barriers while maintaining compliance with HUD guidance and regulations.

UNMET NEEDS ASSESSMENT

The governing Federal Register for the \$17 million CDBG-DR grant will require West Virginia to develop a scientific, risk-based Unmet Needs Assessment to document and quantify your unmet recovery needs, as well as the Action Plan to establish the program design through a participatory public process. The first step in the development of a comprehensive Action Plan will be to compile the unmet needs assessment for West Virginia based on the disaster.

WE HAVE DRIVEN
THIS SAME UNMET
NEEDS ASSESSMENT
PROCESS ACROSS
THE JURISDICTIONS
OF SOUTH CAROLINA,
COLORADO,
MISSISSIPPI, TEXAS,
NEW JERSEY, AND
HOUSTON, TEXAS

The Unmet Needs Assessment will be data-intensive. The HORNE team has developed a master unmet needs data framework which considers data through the lens of all three sectors vital to the CDBG-DR program: housing, infrastructure, and economic sectors. Initially, we will collect, consider and analyze the data related to this specific flooding event which is collected at the federal level: FEMA IA, FEMA PA, FEMA HMGP, NFIP, SBA disaster loans, USDA, DOL, Army Corps of Engineers and the EPA. Then, our team of experts will move to the data available through West Virginia's agencies: Department of Transportation, Department of Agriculture, National Guard, Division of Homeland Security and Emergency Management, Department of Commerce, Offices of the Insurance Commissioner, Division of Labor and the Division of Water and Waste Management. Of particular importance will be the consideration of low-and-moderate-income and special populations, such as the elderly, homeless, and public housing residents, amongst others. The HORNE team will ensure that all of these populations are considered in its thorough unmet needs assessment. Upon the conclusion of the review of all available data, our team will be able to specify the monetary impact within each sector, the current funding available to address that impact and the monetary amount of needs remaining to be addressed due to the flooding event.

Our HORNE team has extensive experience in documenting all loss – housing, infrastructure, economic, and resiliency impacts. We have driven this same unmet needs assessment process across the jurisdictions of South Carolina, Colorado, Mississippi, Texas, New Jersey, and Houston, Texas. The resulting data analysis was directly applied to approved action plans, subsequent amendments, and ongoing policy determinations. Thus, we are ready on day one to begin analyzing the existing data West Virginia has compiled to determine the unmet need shown by the same. Our team will collaborate with the State's leaders to determine the best sources of additional data from which we can further assess existing unmet need stemming from the disaster. As partners of the state's, we will work with multiple state and local agencies to obtain the necessary data to support the unmet needs.

A solid, data-based damage and Unmet Needs Assessment will greatly influence your funding method of distribution and what programs HUD will allow you to implement. The assessment requires agency and stakeholder coordination on data and impact, which in turn translates to ensuring your programs are designed in line with the community needs and facilitates the required public engagement and

transparency. Thus, our approach will include ensuring that the State's proposed uses of the funds relate to the impact of the disaster. This makes the Unmet Needs Assessment extremely important, as the program design must align with the impact of the floods on the population.

ACTION PLAN DEVELOPMENT

West Virginia's Action Plan must identify the administering entity, budget, and geographic service area, including program size. Any threshold or eligibility criteria must be identified so that community members have a clear understanding of who may be eligible to receive assistance. Our team of experts will specifically identify in the Plan how each proposed program or project meets CDBG eligibility criteria and a National Objective. The National Objectives are a foundational organizing philosophy of the CDBG program and include serving Low-and-Moderate-Income populations, resolving an issue of Urgent Need, and the elimination of any Slum or Blighted conditions.

In addition to meeting a National Objective, the proposed activities must be activities that are CDBG eligible, unless otherwise allowed for in the Register. Eligible activities include the multiple infrastructure, housing, and economic development activities found in 24 CFR 570, such as the acquisition or disposition of real property, improvements to public facilities, economic development, code enforcement, public services and housing activities amongst others. If the state seeks to address activities that are not identified as eligible activities in the CFR or in the Register, we are prepared to assist you in requesting a waiver.

The State must then ensure its programs result in long-term recovery, including an emphasis on resilience thinking, and develop estimated performance measures to assess outcome in a quantifiable fashion. Care must be taken to align the proposed outcomes with an identified unmet need. Examples of resilience thinking include actions taken to use the lessons learned by a disaster event to inform the long-term reduction of disaster risk, such as:

- Developing and implementing forward-thinking code requirements,
- Innovative land-use planning,
- Consideration of future risks such as sea-level rise,
- Utilization of Green Building Standards,
- Energy efficiency,
- Use of the HUD Green Building Retrofit checklist, at a minimum, and
- Systems thinking which incorporates social and economic capacity to recover.

Once the program design is finalized by the State and preliminary budgets are established, West Virginia must clearly define the Method of Distribution for its funds, which will outline whether the state will administer a program directly or utilize a subrecipient or another model. We will assist the state in its consideration of any criteria or measures used to establish how funds will be allocated. Our approach provides transparency to the impacted communities and ensures an informed methodology is utilized.

PUBLIC ENGAGEMENT

A critical component of a comprehensive CDBG-DR Action Plan is the public input. Our team will actively conduct public outreach and collaborate with state and local stakeholders to determine which geographic, economic and social areas of the State demonstrate the most impact. We have worked with

state and local officials to develop HUD-approved methods of distribution that allocate needs-based funding across jurisdictional boundaries and in compliance with HUD national objectives.

Once all the pieces of the Action Plan are assembled and ready to be shared with the community at large, it must be made available and accessible to the public in accordance with the citizen participation requirements. This may include posting on the state's website with a formal comment period and a mechanism to provide feedback. After the public has had an opportunity to provide comment, the state must demonstrate that it has reviewed the comments and provided a reasoned response, as appropriate.

When the WVDO is ready to submit the State's Action Plan, the authorized party for the state will attest to the required certifications, such as compliance with Section 3, conformance with the Civil Rights Act, and compliance with the Uniform Relocation Act, and execute Federal Form 424. Upon submission of the Action Plan to HUD, the HORNE team will review the final draft against HUD's checklists encompassing all of the regulatory requirements set forth in the governing Federal Register. Such detailed review will provide peace of mind to the State that all requirements have been met and it can proceed with confidence regarding its Plan (which the HORNE team has significant experience with) as well as against the requirements of the Federal Register Notice and issued a determination based on the Standard of Review set forth in 24 CFR 91.500, as informed by the Notice.

If selected to support WVDO in their Action Plan development, HORNE will implement the proven practices set forth above to rapidly deliver a high-quality product accomplishing the following key milestones within timelines agreed upon by HORNE and the State:

MILESTONES
Federal Register Published
Contract Execution
Grantee Adopts Citizen Participation Plan
Unmet Needs Assessment
Public Hearings Held
Committee Task Force Program Design
Final Budgets and Program Design to Writer
Composition of Draft for Posting
Grantee Submits Financial Risk Analysis and Implementation Plan
Publish Action Plan Draft on Website
Respond to Public Comment
Route for Final Approval
Submit Action Plan to HUD
90 Day Submittal Deadline
HUD Review and Notification

4) Assess the capabilities of prospective subrecipients, prior to distribution of CDBG or CDBG-DR funding, to ensure their ability to meet national objectives. Perform steps to identify specific, logical connections to a national objective for each activity, including steps to verify the eligibility of proposed activities as well as steps to evaluate a prospective subrecipient's overall organizational capacity.

HORNE knows from experience what systems and processes must be in place for subrecipients to successfully manage HUD funds. We don't just follow a criteria checklist, we assess each subrecipient based on our working knowledge of performance challenges we've encountered in the past, and our hands-on assistance to subrecipients across seven states.

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ACROSS SEVEN
STATES

Our program management team has developed a system focused on assessing the capabilities of prospective subrecipients prior to them receiving distribution of CDBG-DR funding that follows a risk-based assessment. A major compliance issue subrecipients must be prepared to deal with is the ability of the project to meet a national objective. That's why our program includes steps to identify specific, logical connections to a national objective for each activity. HORNE will assess each subrecipient for sufficiency in meeting basic HUD criteria such as:

- Capacity,
- Administration and Staffing,
- Internal and Interagency Coordination,
- Technical Assistance,
- Accountability,
- Financial Controls,
- Procurement Processes,
- Procedures for Prevention of Duplication of Benefits,
- Procedures to Determine Timely Expenditures,
- Procedures to Effectively Manage Funds,
- Procedures to Maintain a Comprehensive Website, and
- Procedures to Ensure Timely Information on Application Status.

Program steps to verify the eligibility of proposed activities as well as steps to evaluate the prospective subrecipient's overall organizational capacity are also included in our pre-award assessment program as both are potential areas of non-compliance.

We have overseen Project Management and Operations for billions of dollars in CDBG recovery operations, including running the Project Management Office for the Mississippi Development Authority including large-scale housing, rental, infrastructure and economic development programs. Specifically, we have worked with the Mississippi Development Authority (MDA) to design, implement, and execute the Long-Term Workforce Housing Program (LTWH), a \$232 million initiative which constructed, rehabilitated, or financed more than 3,000 single and multi-family homes in the storm-affected area. Our responsibilities included preparing contracts, reviewing policies and procedures, and conducting training sessions on cash request processing, HUD policies, and Fair Housing requirements. We also automated the cash request process, which resulted in paying cash requests in less than ten days, and built customized reporting tools which expanded transparency and accountability by aging and tracking all project processes and events.

5) Prepare a unique written agreement for each subrecipient that is a concise statement of the relationship and the conditions under which funds are provided. Each completing the work and a budget. These items shall be written in sufficient detail to provide a sound basis for the grantee to effectively monitor performance under the agreement. It will include: applicable federal and state regulations; a statement of the intent of the grant; key information and general provisions; scope of work; program requirements; performance indicators and benchmarks; oversight and performance monitoring; suspension and termination clauses; documentation for pre-award and post-award actions such as payment; procurement standards; subcontract standards, documentation and end-of-award activities; closeouts; audit requirements; and continuing responsibilities. Each agreement will specify the particular records the subrecipient must maintain and the particular reports the subrecipient must submit in order to assist the grantee in meeting its recordkeeping and reporting requirements.

Subrecipient agreements are essential management tools for measuring performance and regulatory compliance, establishing agreed upon performance objectives, methods, and clarifying administrative responsibilities. Our Project Management team has extensive experience preparing unique agreements for subrecipients. These agreements memorialize the relationship and the conditions under which funds are provided. HORNE follows prescriptive HUD guidance as outlined in 24 CFR 92.504 to ensure full compliance with HUD requirements. As a basis, we will ensure subrecipient agreements include a description of the work to be performed, a schedule for completing the work, and a budget. We know from experience that agreements must be written in sufficient detail to provide a sound basis for the recipient to effectively monitor performance under the terms.

Subrecipient agreements will include:

- A statement of the intent of the grant,
- The national objective to be achieved pursuant to the subrecipient's grant,
- Provides key information,
- General provisions,
- Scope of work,
- Program requirements,
- Performance indicators and benchmarks,
- Documentation for pre-award, post-award actions such as payment, documentation and end-of-award activities, closeout, audit, and continuing responsibilities,
- Certificates of Assurances related to Civil Rights Laws, Affirmatively Furthering Fair Housing, Section 3 Compliance, Environmental Compliance and all other required certifications under the HUD CDBG program.

We will specify in the agreement the particular records the subrecipient must maintain and the particular reports the subrecipient must submit in order to assist the recipient in meeting their recordkeeping and reporting requirements.

6) Conduct periodic training for subrecipients on compliance issues including national CDBG and CDBG-DR programs and local administrative practices.

Proper training is critical in order to meet performance objectives and ensure compliance. HORNE is highly qualified and equipped to provide specific training related to the CDBG-DR programs, projects, and all program rules as well as applicable regulatory requirements.

HORNE administers training courses throughout the life of our projects, through a highly accessible, customized Learning Management System. We don't just offer course-based training, we bring seasoned professionals in to conduct policy and procedure training that incorporates HUD resources and state policies.

Training will take place throughout the life of the project to provide consistent, competent, and superior service at all times. HORNE will continually incorporate content pertinent to the program risk-based assessments as a basis for identifying training needs at the Grantee and vendor level. We will provide training to WVDO and vendors as requested on a variety of topics, including, but not limited to:

- HUD CDBG National Objectives,
- 2 CFR 200,
- Documentation standards,
- Internal and external reporting,
- Allowable program activities,
- Allowable costs and transactions,
- Grants management systems,
- Proactive Budgeting,
- Procurement standards,
- Permitting requirements,
- Section 3 compliance,
- Fair Labor Standards, and
- Duplication of Benefits.

HORNE has existing training programs in-hand, ready to be tailored to meet the needs of project vendors and program staff. A training manual with supporting materials will be developed and updated throughout the course of the program.

HORNE has proven success with this model. In 2013, we were engaged by the Mississippi Development Authority (MDA) to design, implement, and oversee the agency's comprehensive Section 3 compliance program. The purpose of the effort was to ensure compliance with a federal mandate that the billions of recovery dollars flowing into the community under MDA's Community Development Block Grant – Disaster Recovery (CDBG-DR) program led to economic opportunities for low-income residents and contractors.

HORNE led this effort by developing relevant training curriculum and materials, a comprehensive outreach model for all jurisdictions, and by leading live training sessions across the state as keynote speakers. We provided technical assistance to the agency's staff, subrecipients, grant administrators, contractors, and subcontractors. Attendees were provided with practical implementation tools to use on the program activities. Recipients remarked continuously that we not only provided the "why" but the "how to." HORNE's training approach and model yields results.

7) Ensure that all subrecipients comply with all regulations governing their administrative, financial and programmatic operations and achieve their performance objectives on schedule and within budget.

As experienced project administrators, every aspect of our role is focused on compliance and meeting performance objectives. We utilize many additional resources to track, verify, and ensure compliance and program success. For example, we have developed tools that monitor the entire funding and reimbursement process and ensure that funding flows consistently with contractual and budgeted intent. We use these tools to analyze program operations and measure performance objectives to ensure that these objectives are met and remain on schedule.

Our team has overseen Project Management and Operations for billions of dollars in CDBG recovery operations, including running the Project Management Office for the Mississippi Development Authority, which included programs such as the Long-Term Workforce Housing Program, the Neighborhood Home Program, and Small Rental Assistance Projects I & II. Specifically, HORNE worked with the Mississippi Development Authority (MDA) to design, implement, and execute the Long-Term Workforce Housing Program (LTWH), a \$230 million initiative which constructed, rehabilitated, or financed more than 3,000 single and multi-family homes in the storm-affected area. The LTWH program included municipalities, not-for-profits, and for-profit entities to complete the program. HORNE coordinated over 39 subrecipients consisting of developers, non-profits, and businesses performing affordable housing activities including homebuyer assistance, home repairs, and new home construction. Our services included the comprehensive oversight and management of subrecipients including:

- Contract management,
- Financial oversight,
- Request for cash processing,
- Duplication of benefits compliance,
- Income verification,
- Fair housing requirements,
- Program reporting, and
- Closeout.

HORNE also automated the cash request process which resulted in paying subrecipients' cash requests in less than ten days and built customized reporting tools which expanded transparency and accountability by aging and tracking all project processes and events.

8) Provide support of the Agency's CDBG and CDBG-DR program oversight, management, and compliance monitoring process and system that involves an ongoing process of planning, implementation, communication and follow-up. The objectives for programmatic/contractual oversight and monitoring will be:

- a) To determine if a subrecipient is carrying out its program as described in its subrecipient agreement.*
- b) To determine if a subrecipient is carrying out its scope of work in a timely manner.*
- c) To determine if a subrecipient is conducting the project with adequate control over program and financial performance and in a way that minimizes the opportunity for fraud, waste and abuse.*

- d) To assess if a subrecipient has a continuing capacity to carry out the approved project.*
- e) To identify problem areas and assist a subrecipient in complying with the program requirements.*
- f) To provide adequate follow-up measures in the form of Quality Improvement Plans and Corrective Actions to ensure that performance and compliance deficiencies are corrected and not repeated rules and policies to the Agency.*

OUR KNOWLEDGE OF
THE REGULATORY
REQUIREMENTS AND
SYSTEM OF INTERNAL
CONTROLS HAS
ENDURED MULTIPLE
HUD AND OIG
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THE ENTIRE CDBG
PROCESS, FROM
PROCUREMENT TO
IMPLEMENTATION TO
CLOSEOUT.

HORNE fully understands the exposure and amount of scrutiny leveled upon the recipient of federal funds. Our knowledge of the regulatory requirements and system of internal controls has endured multiple HUD and OIG audits and spans the entire CDBG process, from procurement to implementation to closeout. The HORNE monitoring processes include best-practice templates that we have used in successful disaster recovery efforts nationwide. Our processes are consistent with OIG testing for transactions, procurement, input costs, and contract types. The HORNE approach is so effective that it is currently being used by federal oversight authorities.

HORNE's mission is to ensure compliance with all regulations governing the administrative, financial, and programmatic operations of a program, and to achieve established performance objectives on schedule and within budget. As a result, HORNE has created and will continue to use at the client's direction, a comprehensive monitoring system that involves an ongoing process of planning, implementation, communication, and follow-up. Our system will emphasize positive feedback to vendors to identify what they have done well and areas where they can improve. We will also build into our process opportunities for dialogue with vendors to develop a better appreciation of their perspectives and to identify and resolve points of miscommunication or misunderstanding.

Our objectives for programmatic/contractual oversight and monitoring will be:

- To ensure contractors are meeting the requirements as defined in their agreements with WVDO;
- To determine if the scope of work is being carried out promptly;
- To review the controls in place to minimize the opportunity for fraud, waste, and abuse;
- To assess if the contractor has a continuing capacity to carry out the approved project;
- To identify problem areas and assist the contractors in complying with the program requirements;
- and
- To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected and not repeated.

HORNE has developed an oversight and monitoring system to meet these objectives. We will perform a risk assessment to identify levels of program experience for each subrecipient. This evaluation will determine the exact type and frequency for monitoring activity. The checklist will incorporate applicable regulations for each activity area, the standards needed to be met, and the types of documentation required, or the accounting system that will satisfy the standards.

Monitoring teams conduct on-site visits based on our risk assessments and actual review of reporting and documentation. These on-site visits will include monitoring and the compilation of documentation for areas of compliance including 2 CFR 200, 24 CFR, The American Housing Act of 1949, Robert T. Stafford Act, Fair Housing, nondiscrimination, labor standards and environmental. Upon review, should we find any areas of concern or findings of non-compliance, we will notify WVDO management under established policies for such occurrences. HORNE will also communicate any necessary corrective action plans or recommendations for improvements.

IN MISSISSIPPI, WE
PROVIDED INTERNAL
MONITORING
SERVICES OF THE
HOMEOWNER'S
ASSISTANCE
PROGRAM WHICH
IDENTIFIED OVER
200 CASES OF
SUSPECTED FRAUD.

9) Report any identified or suspected instances of non-compliance with applicable laws, rules and policies to the Agency.

Our management staff is trained and certified in fraud prevention. All suspected cases of fraud will be treated seriously and discreetly, and immediately brought to the attention of the State. We know that fraud can occur at all levels of the program from false or fraudulent applicant information to deceitful or duplicitous work by contracted staff.

We have over a decade of experience monitoring for fraud, waste, and abuse in CDBG-DR housing programs. In Mississippi, we provided internal monitoring services of the Homeowner's Assistance program which identified over 200 cases of suspected fraud.

Our successes in preventing and detecting fraud, waste, and abuse are reflective of our approach. One such success has been with Mississippi Development Authority's (MDA) Long Term Workforce Housing (LTWH) program. The LTWH program is a \$230 million recovery program designed to restore Mississippi housing decimated as a result of Hurricane Katrina. Since 2008 (and re-procured competitively in 2013), we have been engaged to provide programmatic and contractual monitoring services which include oversight of 39 subrecipients as required by 2 CFR 200. In our support to MDA, our team designed and implemented program controls that resulted in documented fraud totaling less than one hundredth of 1% (0.0001% or approximately \$23,000) of total program funding.

HORNE has overseen the financial management of over \$22 billion in disaster recovery funds with no findings by HUD. We will work with WVDO to ensure that these crucial requirements of the program are not only met, but exceed HUD's expectations.

10) Ensure subrecipients comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract.

As a recipient of federal funds from HUD, the State must ensure compliance with the Federal Labor Standards Provisions and ensure that all laborers and mechanics employed by the contractors and subcontractors in the performance of construction work for the various grants and programs financed in whole or in part with federal funds shall be paid wages at rates no less than the prevailing wage rate. HORNE understands how critical this compliance is to the success of programs. The State will be called upon to strictly enforce the Federal Labor Standards Provisions for all CDBG programs and projects where the federal labor standards are applicable under the following Acts:

- The Davis-Bacon Act (40 USC, Chapter 3, Section 276a.275a-5 and 29 CFR Parts 1, 3, 5, 6 and 7);
- The Copeland Anti-Kickback Act (40 USC, Chapter 3, Section 276c and 18 USC, Part I, Chapter 41, Section 874; and 20 CFR Part 3); and,
- The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332 and 29 CFR Part 4,5,6, and 9, 29 CFR Par 3).

Having developed a vast knowledge base in this area over years of direct experience, our team understands how to achieve such compliance. Our technical assistance program would provide a comprehensive approach focusing on at least the following areas:

- Proper application of Davis-Bacon requirements;
- Proper process for the application, receipt, and inclusion of a current wage decision and labor standards provisions in all procurement solicitations;
- Documentation and reporting requirements in support of contractor compliance;
- Inclusion of federal labor standards compliance during the pre-bid conference and other initial contractor meetings;
- Contractor eligibility verification;
- Proper process by which to conduct ten-day wage check;
- Proper process by which to review certified payrolls and compare to the employee interviews and wage decisions;
- Proper process by which to conduct on-site interviews with laborers and mechanics;
- Notification of contractor and subcontractors (as applicable) of payroll discrepancies;
- Potential investigation of probable violations and complaints of underpayment;
- Monitoring contractor performance;
- Debarment and other available sanctions against repeat labor standards violators; and
- Required Labor Standards Enforcement Reports and enforcement of same.

Our experts appreciate the need to convey the necessary guidance to the program's administrators and contractors. We are ready to deploy and provide any necessary technical assistance with the requirements of the Davis Bacon and Related Acts.

11) Assist in oversight of the distribution of funds including documentation compliance. Work with Agency fiscal division to determine documentation that must accompany requests for payment. Assist in review for completeness, compliance and accuracy of all pay request documents.

Financial management is the heart of HORNE. For over 50 years, we have established and cultivated relationships with clients across the nation by delivering a full range of CPA and business advisory services. More specifically, we have experience disbursing billions of dollars of disaster recovery funds, particularly CDBG-DR funds. At HORNE, we have the capacity to develop a controlled process, assume control or provide oversight over an existing process, and to manage the custody and disbursement of the program award dollars and leveraged funding.

When administering large federal grant programs, it's imperative that funds flowing to/from the grant program be tracked properly in the System of Record and reconciled with the State's accounting system as well as HUD's tracking system (DRGR). This includes not only grant payments, but insurance subrogation funds, restitution checks, and any other financial transactions affecting the program. Having overseen and even taken full responsibility over programs where the previous contractor was not performing these reconciliations, HORNE has seen firsthand the problems that arise when this control is absent. In one instance, our team was able to quickly perform a reconciliation of the client's program database to the statewide accounting system which had a \$9 million discrepancy. Hundreds of issues were uncovered and corrected due to this reconciliation being performed. This gave the client a higher level of assurance than they had under the prior contractor. HORNE also reconciled the state's general ledger to eLOCCs, resulting in over \$25 million of reclassification entries.

Another often overlooked process is ensuring expenditures are properly classified as activity delivery versus administrative costs. Not correctly classifying these costs can result in grantees exceeding their limit on administrative costs as well as potential findings from HUD. Both could result in the grantee having to forfeit funds. HORNE's experience in this area results in the identification of millions of costs incorrectly classified. We have developed cost classification tables for multiple grant programs to provide guidance and documented support for properly classifying expenditures, in turn minimizing the risk to our clients. With our expertise, you can be assured that the financial management of each program is in order.

Asset tracking is also an important component of managing CDBG-DR dollars. Not only are HUD regulations at play, but 2 CFR 200, internal policies and procedures, as well as state and local laws. We have helped clients identify and properly track asset purchases to ensure no findings during monitoring reviews in this area.

Oversight of the distribution of funds will focus on documentation that supports compliance. All documentation that supports activity expenditures will accompany every request for payment. An internal financial management team will collect, scan, and then review all pay request documents for completeness, compliance, and accuracy.

The Office of Management and Budget (OMB) has specific requirements related to the timing of fund drawdown. Significant penalties are imposed on grantees when federal funds remain undistributed longer than the regulations allow. We will avoid any loss of funding by implementing a monitoring system that tracks the time lapse between draw down and disbursement and warns the program manager of any potential issues. We understand how critical this funding is to West Virginia's recovery. Therefore, we will be dedicated to processing all requests for funding in a timely manner.

12) Document Control and Management

- a) Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG and CDBG-DR grants. At a minimum, the following records would be required from each grant:*
 - i. Records providing full description of each activity*
 - ii. Records verifying that activity meets nation's and grant objectives*
 - iii. Records related to demonstrating eligibility of activities*
 - iv. Records required to document activity related to real property*
 - v. Records documenting compliance with the fair housing and equal opportunity requirements*
 - vi. Financial records and reports required by the program*
 - vii. Performance reports required by the program*
 - viii. Records supporting any specific requirements of the grant*

Our record-keeping practices have withstood HUD Field Office and Office of Inspector General (OIG) audits for over a decade. HORNE specializes in document management. We dedicate our focus to innovative solutions that preserve the integrity of source documentation and reduce paper file management. As specialists in the two critical components of the file record, we focus on the regulatory compliance aspects of eligibility processing and construction management. Our teams have developed documentation practices that support well-documented information on the individual applicant and evidence of work performed on the structure.